

**VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2012**

VILLAGE OF HALL SUMMIT, LOUISIANA
DECEMBER 31, 2012
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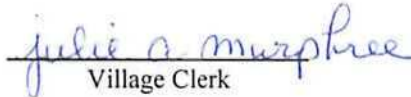
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VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2012

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Julie Murphree, Clerk of the Village of Hall Summit, Louisiana, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Village of Hall Summit, Louisiana, at December 31, 2012 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Village Clerk

Sworn to and subscribed before me, this 22nd day of July, 2013.


NOTARY PUBLIC #1067903

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INDEPENDENT AUDITORS' REPORT

Village of Hall Summit
P.O. Box 98
Hall Summit, Louisiana 71034

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, the major fund, and the aggregate remaining fund information of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, the major fund, and the aggregate remaining fund information of the Village of Hall Summit, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison information on pages 4 to 9 and 31, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hall Summit's basic financial statements. The accompanying information identified in the table of contents as Other Supplementary Information is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplementary Information schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated July 22, 2013 on our consideration of the Village of Hall Summit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village of Hall Summit's internal control over financial reporting and compliance.

The financial information for the year ended December 31, 2011, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated June 28, 2012, on the basic financial statements of the Village of Hall Summit.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

July 22, 2013

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview and analysis of Village of Hall Summit's financial activities for the year ended December 31, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Village of Hall Summit's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Village of Hall Summit had cash and investments of \$265,071 at December 31, 2012, which represents an increase of \$13,814 from prior year end.
- 2) The Village of Hall Summit had accounts receivable of \$3,015 at December 31, 2012, which represents a decrease of \$1,292 from prior year end.
- 3) The Village of Hall Summit had accounts payable and accruals of \$1,586 at December 31, 2012, which represents a decrease of \$47 from prior year end.
- 4) The Village of Hall Summit had total revenues of \$87,339 for the year ended December 31, 2012, which represents an increase of \$5,115 from prior year.
- 5) The Village of Hall Summit had total expenses of \$70,410 for the year ended December 31, 2012, which represents a decrease of \$4,028 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$55,318 for the year ended December 31, 2012, which represents an increase of \$24,888 from prior year.

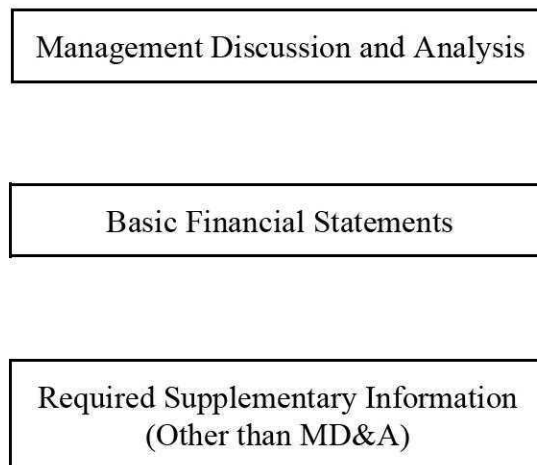
Business-Type Activities

- 1) The Village of Hall Summit had cash and investments of \$138,708 for the year ended December 31, 2012, which represents a decrease of \$25,826 from prior year.
- 2) The Village of Hall Summit had accounts receivable of \$7,802 for the year ended December 31, 2012, which represents a decrease of \$670 from prior year.
- 3) The Village of Hall Summit had accounts payable and accruals of \$10,628 for the year ended December 31, 2012, which represents an increase of \$4,780 from prior year.
- 4) The Village of Hall Summit had total revenues of \$95,510 for the year ended December 31, 2012, which represents a decrease of \$48,459 from prior year.
- 5) The Village of Hall Summit had total expenses of \$157,098 for the year ended December 31, 2012, which represents an increase of \$15,946 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$15,000 for the year ended December 31, 2012, which represents a decrease of \$62,269 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Village of Hall Summit as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Village of Hall Summit as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Village's Net position and changes in them. You can think of the Village's net position, the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Village into three kinds of activities:

Governmental Activities: Most of the Village's basic services are reported here including the police and general administration. Franchise taxes, sales taxes, license and permits, and state and federal grants finance most of these activities.

Business-Type Activities: The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer system are reported here.

Component Units: The Village includes one separate legal entity in its report, Development Corporation. Although legally separate, the component unit is important because the Village is financially accountable for it.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Aldermen establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Village's two kind of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds: When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position As of Year End Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 290,262	\$ 297,654	\$ 171,328	\$ 179,326	\$ 14,757	\$ 21,575
Capital assets, net	274,289	250,015	1,036,087	1,084,772	86,306	95,038
Total Assets	\$ 564,551	\$ 547,669	\$ 1,207,415	\$ 1,264,098	\$ 101,063	\$ 116,613
Other liabilities	\$ 1,586	\$ 1,633	\$ 33,903	\$ 28,998	\$ 1,788	\$ 595
Compensated absences payable	0	0	0	0	0	0
Total Liabilities	1,586	1,633	33,903	28,998	1,788	595
Net position						
Investment in capital assets, net of related debt	274,289	250,015	1,036,087	1,084,772	86,306	95,038
Unrestricted	288,676	296,021	137,425	150,328	12,969	20,980
Total Net Position	562,965	546,036	1,173,512	1,235,100	99,275	116,018
Total Liabilities and Net Position	\$ 564,551	\$ 547,669	\$ 1,207,415	\$ 1,264,098	\$ 101,063	\$ 116,613

Net position of the Village of Hall Summit increased by \$16,929 or 3.10% and decreased by \$61,588 or 4.99% and \$16,743 or 14.43% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2012 (See table below).

Statement of Activities For the Year Ended Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2012	2011	2012	2011	2012	2011
General government Expenses	\$ (70,410)	\$ (74,438)	\$ (157,098)	\$ (141,152)	\$ (25,111)	\$ (27,441)
Program revenues						
Charges for services	8,279	16,649	79,819	90,651	8,164	19,984
Operating grants and contribution	0	3,500	0	0	0	0
Capital grants and contributions	10,000	6,263	15,000	50,000	0	0
Subtotal	(52,131)	(48,026)	(62,279)	(501)	(16,947)	(7,457)
General revenues	69,060	55,812	691	3,318	204	544
Change in net position	\$ 16,929	\$ 7,786	\$ (61,588)	\$ 2,817	\$ (16,743)	\$ (6,913)

The Village of Hall Summit's total revenues increased by \$5,115 or 6.22% and decreased by \$48,459 or 33.66% and \$12,160 or 59.24% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. The total cost of all programs and services decreased by \$4,028 or 5.41%, increased by \$15,946 or 11.30%, and decreased by \$2,330 or 8.49% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the Village of Hall Summit's had \$274,289, \$1,036,087 and \$86,306, net of depreciation, in Governmental Activities, Business-Type Activities, and Component Units, respectively, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and retirements) of \$24,274 or 9.71% and decrease of \$48,685 or 4.49% and \$8,732 or 9.19% in Governmental Activities, Business-Type Activities, and Component Units, respectively, from the previous year.

Capital Assets at Year End (Net of Depreciation)						
Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2012	2011	2012	2011	2012	2011
Land	\$ 21,334	\$ 21,334	\$ 30,776	\$ 30,776	\$ 15,166	\$ 15,166
Buildings and other improvements	222,766	200,222	0	0	56,207	61,861
Automobiles	18,259	24,345	0	0	0	0
Equipment, furniture and fixtures	11,930	4,114	5,855	7,541	14,933	18,011
Distribution system	0	0	999,456	1,046,455	0	0
Construction in progress	0	0	0	0	0	0
Total	<u>\$ 274,289</u>	<u>\$ 250,015</u>	<u>\$ 1,036,087</u>	<u>\$ 1,084,772</u>	<u>\$ 86,306</u>	<u>\$ 95,038</u>

The following is the additions and retirements for the Village of Hall Summit as of December 31, 2012:

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
This year's major additions included:			
Buildings and other improvements	\$ 45,000	\$ 0	\$ 0
Equipment, furniture and fixtures	10,318	0	0
Distribution system	0	15,000	0
Total	<u>\$ 55,318</u>	<u>\$ 15,000</u>	<u>\$ 0</u>

This year's major retirements included:

None.

Debt

The Village of Hall Summit had \$0, \$0 and \$0 in long-term liabilities for Governmental Activities, Business-Type Activities, and Component Units, respectively, outstanding at year end compared to \$0, \$0 and \$0 in Governmental Activities, Business-Type Activities, and Component Units, respectively, at the previous year end, no change, no change and no change, respectively, as shown in the table below.

Outstanding Debt at Year End						
Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2012	2011	2012	2011	2012	2011
Long-term debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Compensated absences payable	0	0	0	0	0	0
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$38,328 more than budgeted amounts due to miscellaneous revenues being more than expected.

Actual expenditures were \$55,811 more than budgeted amounts due to capital outlay being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village of Hall Summit's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) State revenue sharing
- 3) Intergovernmental revenues (federal and state grants)
- 4) License and permits
- 5) Fines and forfeitures

The Village of Hall Summit does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE VILLAGE OF HALL SUMMIT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village of Hall Summit's finances and to show the Village of Hall Summit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Julie Murphree, Clerk of the Village of Hall Summit, Post Office Box 98, Louisiana 71034.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
ASSETS				
Current Assets				
Cash	\$ 56,954	\$ 7,910	\$ 64,864	\$ 19,761
Investments	208,117	130,798	338,915	35,949
Accounts receivable	3,015	7,802	10,817	0
Prepaid expense	2,794	1,735	4,529	1,062
Internal balances	19,382	23,083	42,465	(42,465)
Total Current Assets	290,262	171,328	461,590	14,307
Noncurrent Assets				
Capital assets, net	274,289	1,036,087	1,310,376	86,306
Deposits	0	0	0	450
Total Assets	<u>\$ 564,551</u>	<u>\$ 1,207,415</u>	<u>\$ 1,771,966</u>	<u>\$ 101,063</u>
LIABILITIES AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	\$ 1,586	\$ 10,628	\$ 12,214	\$ 1,788
Total Current Liabilities	1,586	10,628	12,214	1,788
Noncurrent Liabilities				
Compensated absences payable	0	0	0	0
Customer deposits	0	23,275	23,275	0
Total Liabilities	1,586	33,903	35,489	1,788
NET POSITION				
Investment in capital assets, net of related debt	274,289	1,036,087	1,310,376	86,306
Unrestricted	288,676	137,425	426,101	12,969
Total Net Position	<u>562,965</u>	<u>1,173,512</u>	<u>1,736,477</u>	<u>99,275</u>
Total Liabilities and Net Position	<u>\$ 564,551</u>	<u>\$ 1,207,415</u>	<u>\$ 1,771,966</u>	<u>\$ 101,063</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government								
Governmental Activities								
General government	\$ 23,176	\$ 5,700	\$ 0	\$ 0	\$ (17,476)	\$ 0	\$ (17,476)	\$ 0
Public safety	16,190	2,579	0	0	(13,611)	0	(13,611)	0
Depreciation	31,044	0	0	10,000	(21,044)	0	(21,044)	0
Total Governmental Activities	70,410	8,279	0	10,000	(52,131)	0	(52,131)	0
Business-Type Activities								
Water and sewer	157,098	79,819	0	15,000	0	(62,279)	(62,279)	0
Total Business-Type Activities	157,098	79,819	0	15,000	0	(62,279)	(62,279)	0
Total Primary Government	<u>\$ 227,508</u>	<u>\$ 88,098</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	(52,131)	(62,279)	(114,410)	0
Component Unit								
Development Corporation	\$ 25,111	\$ 8,164	\$ 0	\$ 0	0	0	0	(16,947)
Total Component Unit	<u>\$ 25,111</u>	<u>\$ 8,164</u>	<u>\$ 0</u>	<u>\$ 0</u>	0	0	0	(16,947)
General Revenues								
Taxes								
Franchise					4,078	0	4,078	0
Sales					16,914	0	16,914	0
Other					650	0	650	0
Rents and leases					919	0	919	0
Interest income					999	691	1,690	204
Other					45,500	0	45,500	0
Total General Revenues					<u>69,060</u>	<u>691</u>	<u>69,751</u>	<u>204</u>
Change in Net Position					16,929	(61,588)	(44,659)	(16,743)
Net Position, Beginning of year					<u>546,036</u>	<u>1,235,100</u>	<u>1,781,136</u>	<u>116,018</u>
Net Position, End of year					<u>\$ 562,965</u>	<u>\$ 1,173,512</u>	<u>\$ 1,736,477</u>	<u>\$ 99,275</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash	\$ 56,954	\$ 44,030
Investments	208,117	207,227
Accounts receivable	3,015	4,307
Prepaid expense	2,794	266
Internal balances	<u>19,382</u>	<u>41,824</u>
Total Assets	<u>\$ 290,262</u>	<u>\$ 297,654</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 1,586	\$ 1,633
Total Liabilities	<u>1,586</u>	<u>1,633</u>
Fund Balances		
Nonspendable		
Prepaid expenses	2,794	266
Unassigned	<u>285,882</u>	<u>295,755</u>
Total Net Position	<u>288,676</u>	<u>296,021</u>
Total Liabilities and Fund Balances	<u>\$ 290,262</u>	<u>\$ 297,654</u>

EXHIBIT D

VILLAGE OF HALL SUMMIT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total Fund Balances for Governmental Funds (Exhibit C) \$ 288,676

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 21,334	
Buildings and other improvements, net of \$175,725 in accumulated depreciation.	222,766	
Automobiles, net of \$35,974 in accumulated depreciation.	18,259	
Equipment, furniture, and fixtures net of \$12,487 in accumulated depreciation.	<u>\$ 11,930</u>	
Total Capital Assets		274,289

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

0

Total Net Position of Governmental Activities (Exhibit A) \$ 562,965

EXHIBIT E

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues		
Taxes		
Franchise	\$ 4,078	\$ 4,605
Sales	16,914	47,757
Other	650	650
State revenue sharing	0	6
Intergovernmental	10,000	9,763
License and permits	5,700	6,385
Fines and forfeitures	2,579	10,264
Rents and leases	919	0
Interest	999	2,712
Miscellaneous	45,500	82
Total Revenues	<u>87,339</u>	<u>82,224</u>
Expenditures		
General government	23,176	22,604
Public safety	16,190	21,482
Capital outlay	55,318	30,430
Total Expenditures	<u>94,684</u>	<u>74,516</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(7,345)	7,708
Other Financing Sources/(Uses)		
Transfers	0	0
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(7,345)	7,708
Fund Balances, Beginning of year	296,021	288,313
Fund Balances, End of year	<u>\$ 288,676</u>	<u>\$ 296,021</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ (7,345)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$55,318) exceed depreciation (\$31,044) in the current period.	24,274
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Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>0</u>
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Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 16,929</u>
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EXHIBIT G

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash	\$ 7,910	\$ 34,426
Investments	130,798	130,108
Accounts receivable	7,802	8,472
Prepaid expense	1,735	798
Inventory	0	4,894
Internal balances	<u>23,083</u>	<u>0</u>
Total Current Assets	171,328	178,698
Noncurrent Assets		
Capital assets, net	1,036,087	1,084,772
Unamortized grant costs	<u>0</u>	<u>4,950</u>
Total Assets	<u>\$ 1,207,415</u>	<u>\$ 1,268,420</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 10,628	\$ 5,848
Internal balances	<u>0</u>	<u>4,322</u>
Total Current Liabilities	10,628	10,170
Noncurrent Liabilities		
Customer deposits	<u>23,275</u>	<u>23,150</u>
Total Liabilities	33,903	33,320
Net Position		
Investments in capital assets, net of related debt	1,036,087	1,084,772
Unrestricted	<u>137,425</u>	<u>150,328</u>
Total Net Position	<u>1,173,512</u>	<u>1,235,100</u>
Total Liabilities and Net Position	<u>\$ 1,207,415</u>	<u>\$ 1,268,420</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services	\$ 75,607	\$ 87,898
Connect fees	350	525
Late fees	2,106	2,153
Miscellaneous	<u>1,756</u>	<u>75</u>
Total Operating Revenues	79,819	90,651
OPERATING EXPENSES		
Amortization	4,950	4,950
Bad debt expense	558	0
Depreciation	63,685	58,629
Dues and subscriptions	1,805	525
Garbage expense	116	82
Insurance	2,356	7,261
Maintenance and repairs	11,796	7,168
Office supplies and expense	5,346	3,141
Oil and gas	3,363	2,753
Operating supplies and tools	12,014	7,432
Payroll taxes	2,345	1,883
Professional services	3,705	2,486
Rental	266	390
Salaries	29,391	28,135
Telephone	3,967	3,023
Utilities	<u>11,435</u>	<u>13,294</u>
Total Operating Expenses	<u>157,098</u>	<u>141,152</u>
Operating Income/(Loss)	(77,279)	(50,501)
Nonoperating Revenues/(Expenses)		
Royalty income	0	1,749
Interest income	<u>691</u>	<u>1,569</u>
Total Nonoperating Revenues/(Expenses)	<u>691</u>	<u>3,318</u>
Income/(Loss) before Transfers Capital Contributions	(76,588)	(47,183)
Capital contributions	15,000	50,000
Transfers	<u>0</u>	<u>0</u>
Change in Net Position	(61,588)	2,817
Net Position, Beginning of year	<u>1,235,100</u>	<u>1,232,283</u>
Net Position, End of year	<u>\$ 1,173,512</u>	<u>\$ 1,235,100</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 80,357	\$ 92,212
Cash payments to suppliers for goods and services	(53,734)	(45,144)
Cash payments to employees and board members for services	<u>(25,735)</u>	<u>(30,316)</u>
Net Cash From Operating Activities	888	16,752
Cash Flows From Noncapital Financial Activities		
Transfers	<u>(27,405)</u>	<u>4,610</u>
Net Cash From noncapital Financial Activities	(27,405)	4,610
Cash Flows From Capital and Related Financing Activities		
Capital contributions	15,000	50,000
Acquisition/construction of capital assets	<u>(15,000)</u>	<u>(77,269)</u>
Net Cash From Capital and Related Financing Activities	0	(27,269)
Cash Flows From Investing Activities		
Royalty income	0	1,749
Interest income	<u>691</u>	<u>1,569</u>
Cash Flows From Investing Activities	<u>691</u>	<u>3,318</u>
Net Increase/(Decrease) in Cash	(25,826)	(2,589)
Cash, Beginning of year	<u>164,534</u>	<u>167,123</u>
Cash, End of year	<u>\$ 138,708</u>	<u>\$ 164,534</u>
Reconciliation of Operating Loss to Net Cash From Operating Activities		
Operating income/(loss)	\$ (77,279)	\$ (50,501)
Adjustments to reconcile operating loss to net cash from operating activities		
Amortization expense	4,950	4,950
Bad debt expense	558	0
Depreciation expense	63,685	58,629
(Increase)/decrease in operating assets		
Accounts receivable	112	(39)
Prepaid expense	(937)	128
Inventory	4,894	0
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	4,780	1,985
Customer deposits	<u>125</u>	<u>1,600</u>
Net Cash Flows From Operating Activities	<u>\$ 888</u>	<u>\$ 16,752</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash	\$ 19,761	\$ 22,828
Investments	35,949	35,799
Prepaid expense	<u>1,062</u>	<u>0</u>
Total Current Assets	56,772	58,627
Noncurrent Assets		
Capital assets, net	86,306	95,038
Utility deposits	<u>450</u>	<u>450</u>
Total Assets	<u>\$ 143,528</u>	<u>\$ 154,115</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 1,788	\$ 595
Internal balances	<u>42,465</u>	<u>37,502</u>
Total Liabilities	44,253	38,097
Net Position		
Investments in capital assets, net of related debt	86,306	95,038
Unrestricted	<u>12,969</u>	<u>20,980</u>
Total Net Position	99,275	116,018
Total Liabilities and Net Position	<u>\$ 143,528</u>	<u>\$ 154,115</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Lot rental	\$ 7,872	\$ 19,412
Washateria income	242	447
Other	<u>50</u>	<u>125</u>
Total Operating Revenues	8,164	19,984
OPERATING EXPENSES		
Advertising	741	556
Depreciation	8,732	8,732
Fuel	436	407
Insurance	1,816	1,743
Legal and professional	53	1,104
Materials and supplies	0	1,134
Miscellaneous	95	153
Office expense	795	924
Payroll taxes	363	275
Repairs and maintenance	2,149	1,999
Salaries	4,750	3,600
Telephone	0	112
Utilities	3,870	5,684
Waste disposal	<u>1,311</u>	<u>1,018</u>
Total Operating Expenses	<u>25,111</u>	<u>27,441</u>
Operating Income/(Loss)	(16,947)	(7,457)
Nonoperating Revenues/(Expenses)		
Interest income	<u>204</u>	<u>544</u>
Total Nonoperating Revenues/(Expenses)	<u>204</u>	<u>544</u>
Income/(Loss) before Transfers	(16,743)	(6,913)
Transfers	<u>0</u>	<u>0</u>
Change in Net Position	(16,743)	(6,913)
Net Position, Beginning of year	<u>116,018</u>	<u>122,931</u>
Net Position, End of year	<u>\$ 99,275</u>	<u>\$ 116,018</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 8,164	\$ 19,984
Cash payments to suppliers for goods and services	<u>(16,248)</u>	<u>(22,148)</u>
Net Cash From Operating Activities	(8,084)	(2,164)
Cash Flows From Noncapital Financial Activities		
Transfers	<u>4,963</u>	<u>27,311</u>
Net Cash From noncapital Financial Activities	4,963	27,311
Cash Flows From Capital and Related Financing Activities		
Acquisition/construction of capital assets	<u>0</u>	<u>(18,350)</u>
Cash Flows From Financing Activities	0	(18,350)
Cash Flows From Investing Activities		
Interest income	<u>204</u>	<u>544</u>
Cash Flows From Investing Activities	204	544
Net Increase in Cash	(2,917)	7,341
Cash, Beginning of year	<u>58,627</u>	<u>51,286</u>
Cash, End of year	<u>\$ 55,710</u>	<u>\$ 58,627</u>
Reconciliation Of Operating Income To Net Cash From Operating Activities		
Operating income/(loss)	\$ (16,947)	\$ (7,457)
Adjustments to reconcile operating income/(loss) to net cash from operating activities		
Depreciation	8,732	8,732
(Increase)/decrease in operating assets		
Prepaid expense	(1,062)	0
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	<u>1,193</u>	<u>(3,439)</u>
Net Cash Flows From Operating Activities	<u>\$ (8,084)</u>	<u>\$ (2,164)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

The Village of Hall Summit, Louisiana was incorporated on September 11, 1961, under the provisions of the Lawrason Act. The Village operates under a Mayor -Board of Aldermen form of government. The Village's major operations include general administrative services, public safety and utilities.

The Development Corporation of Hall Summit, a component unit of the Village of Hall Summit, is discretely presented in the financial statements in conformity with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Village of Hall Summit, Louisiana present information only as to the transactions of the programs of the Village of Hall Summit as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Village of Hall Summit are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Village of Hall Summit prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village of Hall Summit, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments that, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2012, \$0 and \$341 of Governmental and Business-Type Activities receivables, respectively, were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Village of Hall Summit is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 50 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

The Village of Hall Summit, Louisiana does not have any full time employees. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net position - net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position is reported in this category.

I. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Aldermen). These amounts cannot be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Aldermen or its management to which the Board of Aldermen has delegated the authority to assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

The Board of Aldermen establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The Village of Hall Summit typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law, the Village of Hall Summit may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2012 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 83,925	\$ 374,864	\$ 458,789
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 84,298</u>	<u>\$ 374,864</u>	<u>\$ 459,162</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
American Bank & Trust Co	\$ 10,017
Bank of Coushatta	429,384
Sabine State Bank	19,761
Total	<u>\$ 459,162</u>

B. Investments

At December 31, 2012, the Village of Hall Summit had investments of \$0.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2012:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Taxes				
Franchise	\$ 766	\$ 0	\$ 766	\$ 0
Sales	770	0	770	0
Fines and forfeitures	560	0	560	0
Charges for services	0	7,802	7,802	0
Miscellaneous	919	0	919	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>3,015</u>	\$ <u>7,802</u>	\$ <u>10,817</u>	\$ <u>0</u>

NOTE 4 CAPITAL ASSETS

A summary of the Village of Hall Summit's capital assets at December 31, 2012 follows:

	Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012
Primary Government				
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 21,334	\$ 0	\$ 0	\$ 21,334
Total Capital Assets, not being depreciated	21,334	0	0	21,334
Capital Assets, being depreciated				
Buildings and other improvements	353,491	45,000	0	398,491
Less accumulated depreciation	(153,269)	(22,456)	0	(175,725)
Total Buildings and building improvements	200,222	22,544	0	222,766
Automobiles	54,233	0	0	54,233
Less accumulated depreciation	(29,888)	(6,086)	0	(35,974)
Total Automobiles	24,345	(6,086)	0	18,259
Equipment, furniture and fixtures	14,099	10,318	0	24,417
Less accumulated depreciation	(9,985)	(2,502)	0	(12,487)
Total Equipment, furniture and fixtures	4,114	7,816	0	11,930
Total Capital Assets, being depreciated	228,681	24,274	0	252,955
Governmental Activities				
Total Capital Assets, net	\$ <u>250,015</u>	\$ <u>24,274</u>	\$ <u>0</u>	\$ <u>274,289</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ 0	\$ 0	\$ 30,776
Total Capital Assets, not being depreciated	30,776	0	0	30,776
Capital Assets, being depreciated				
Distribution system	1,938,842	15,000	0	1,953,842
Less accumulated depreciation	(892,387)	(61,999)	0	(954,386)
Total Distribution system	1,046,455	(46,999)	0	999,456
Equipment, furniture and fixtures	27,449	0	0	27,449
Less accumulated depreciation	(19,908)	(1,686)	0	(21,594)
Total Equipment, furniture and fixtures	7,541	(1,686)	0	5,855
Total Capital Assets, being depreciated	1,053,996	(48,685)	0	1,005,311
Business-Type Activities				
Total Capital Assets, net	<u>\$ 1,084,772</u>	<u>\$ (48,685)</u>	<u>\$ 0</u>	<u>\$ 1,036,087</u>
Primary Government				
Total Capital Assets, net	<u>\$ 1,334,787</u>	<u>\$ (24,411)</u>	<u>\$ 0</u>	<u>\$ 1,310,376</u>
Component Units				
Capital Assets, not being depreciated				
Land	\$ 15,166	\$ 0	\$ 0	\$ 15,166
Total Capital Assets, not being depreciated	15,166	0	0	15,166
Capital Assets, being depreciated				
Buildings and other improvements	73,169	0	0	73,169
Less accumulated depreciation	(11,308)	(5,654)	0	(16,962)
Total Buildings and building improvements	61,861	(5,654)	0	56,207
Equipment, furniture and fixtures	21,546	0	0	21,546
Less accumulated depreciation	(3,535)	(3,078)	0	(6,613)
Total Equipment, furniture and fixtures	18,011	(3,078)	0	14,933
Total Capital Assets, being depreciated	79,872	(8,732)	0	71,140
Component Units				
Total Capital Assets, net	<u>\$ 95,038</u>	<u>\$ (8,732)</u>	<u>\$ 0</u>	<u>\$ 86,306</u>

No depreciation expense was charged directly to any governmental functions.

Depreciation expense for the year ended December 31, 2012 was \$103,461 (\$31,044 for governmental-type activities, \$63,685 for business-type activities and \$8,732 for component units).

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2012:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Vendor	\$ 1,478	\$ 4,602	\$ 6,080	\$ 1,304
Salaries and related benefits	108	6,026	6,134	484
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 1,586</u>	<u>\$ 10,628</u>	<u>\$ 12,214</u>	<u>\$ 1,788</u>

NOTE 6 INTERNAL BALANCES

A summary of internal balances at December 31, 2012, is as follows:

	<u>Due To</u>	<u>Due From</u>
Governmental Activities	\$ 19,382	\$ 0
Business-Type Activities	23,083	0
Component Unit	<u>0</u>	<u>42,465</u>
Totals	<u>\$ 42,465</u>	<u>\$ 42,465</u>

NOTE 7 LEASES

The Village of Hall Summit was not obligated under any capital or operating lease commitments at December 31, 2012.

NOTE 8 SALES AND USE TAX

The Village of Hall Summit has a one percent sales tax. Sales tax revenues for the year ended December 31, 2012 were \$16,914. The proceeds are dedicated to any lawful purpose of the Village.

NOTE 9 RISK MANAGEMENT

The Village of Hall Summit is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

NOTE 10 LITIGATION

There was no outstanding litigation against the Village of Hall Summit at December 31, 2012.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 11 CLAIMS AND JUDGMENTS

The Village of Hall Summit participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government. The Village believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original/Final Budget	Actual	Variance Fav./(Unfav.)
REVENUES			
Taxes			
Franchise	\$ 3,900	\$ 4,078	\$ 178
Sales	27,881	16,914	(10,967)
Other	0	650	650
Intergovernmental	0	10,000	10,000
License and permits	6,500	5,700	(800)
Fines and forfeitures	10,500	2,579	(7,921)
Lease of minerals	0	919	919
Interest	130	999	869
Miscellaneous	100	45,500	45,400
Total Revenues	49,011	87,339	38,328
EXPENDITURES			
General government	23,658	23,176	482
Public safety	15,215	16,190	(975)
Capital outlay	0	55,318	(55,318)
Total Expenditures	38,873	94,684	(55,811)
Excess/(Deficiency) Of Revenues Over Expenditures	10,138	(7,345)	(17,483)
Other Financing Sources/(Uses)			
Transfers	0	0	0
Total Other Financing Sources/(Uses)	0	0	0
Net Change in Fund Balances	10,138	(7,345)	(17,483)
Fund Balance, Beginning of year	296,021	296,021	0
Fund Balance, End of year	\$ 306,159	\$ 288,676	\$ (17,483)

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO THE
MAYOR AND MEMBERS OF THE BOARD OF ALDERMEN
YEAR ENDED DECEMBER 31, 2012

	<u>Compensation</u>
Mayor Wimberly	\$ 2,400
Alderman Perrin	1,800
Alderman Quick	1,800
Alderman Thomas	<u>1,800</u>
Total	<u>\$ 7,800</u>

Compensation Paid Board Members

The schedule of compensation paid to the Mayor and members of the Board of Aldermen of the Village of Hall Summit is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Mayor and Aldermen is included in the Governmental Activities expenses.

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

- | | |
|---------|---|
| 2012-01 | The Village had improper spending on flowers for funerals in the community. |
| 2012-02 | The Village was not in compliance with state statutes requiring audited financial statements to be completed and submitted to the Legislative Auditor within six months after year end. |

HINES, SHEFFIELD & SQUYRES, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Village of Hall Summit
P.O. Box 98
Hall Summit, Louisiana 71034

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, the major fund, and the aggregate remaining fund information of the Village of Hall Summit, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Hall Summit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. A description of the findings can be found at findings 2012-01 and 2012-02 of the accompanying Schedule of Findings and Questioned Costs.

Village of Hall Summit's Response to Findings

The Village of Hall Summit's response to the findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Audit Findings, Schedule 5. The Village of Hall Summit's response was not subjected to the auditing procedures applied in the audit of the financial statements and , accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

July 22, 2013

VILLAGE OF HALL SUMMIT, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Fiscal Year		Corrective	Planned Corrective
	Finding		Action Taken	Action/Partial
	Initially		(Yes, No,	Corrective
<u>Ref. No.</u>	<u>Occurred</u>	<u>Description of Finding</u>	<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

VILLAGE OF HALL SUMMIT, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contract Person(s)</u>	<u>Anticipated Completion Date</u>
2012-01	The Village had improper spending on flowers for funerals in the community.	The management of the Village will evaluate all expenditures and determine that they are appropriate and allowable.	Julie Murphree, Village Clerk	12/31/2013
2012-02	The Village was not in compliance with state statutes requiring audited financial statements to be completed and submitted to the Legislative Auditor within six months after year end.	The Village will make sure that all necessary documentation is provided to its auditor within a reasonable amount of time to ensure the report is completed and submitted in accordance with state laws.	Julie Murphree, Village Clerk	12/31/2013

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Village of Hall Summit
P.O. Box 98
Hall Summit, Louisiana 71034

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Village of Hall Summit, as of December 31, 2012, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Village and are intended to be constructive in nature:

1. Existing Condition

The Village had improper spending on flowers for funerals in the community.

Recommended Action

The management of the Village should evaluate all expenditures and determine that they are appropriate and allowable.

Management's Response

The management of the Village will evaluate all expenditures and determine that they are appropriate and allowable.

2. Existing Condition

The Village was not in compliance with state statutes requiring audited financial statements to be completed and submitted to the Legislative Auditor within six months after year end.

Recommended Action

The Village should make sure that all necessary documentation is provided to its auditor within a reasonable amount of time to ensure the report is completed and submitted in accordance with state laws.

Management's Response

The Village will make sure that all necessary documentation is provided to its auditor within a reasonable amount of time to ensure the report is completed and submitted in accordance with state laws.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Village's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

July 22, 2013